

Sabah TLAS Audit Report Principles 5 & 6

Organisation	Tenant: CS Biomass Sdn. Bhd.(939227-P) Licensee: Timbers Chapter Sdn. Bhd. (740644-D)	Reference #	GFSSBH 004-551
Contact Person	Shin Sang Chul (Director) Emilia Binti Abi (Document Controller)	Audit Date	14/09/2023
Office Address	P.O. Box 110, 89007 Keningau, Sabah, Malaysia.	Date close out	-
Mill Address	Mile 26, Jalan Sook-Nabawan, Keningau, Sabah, Malaysia.	Telephone	+6012 822 1557
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		Approved By	Dr. Kevin Grace

Statements

Audit Statement #	GFS 170 WTP		
Issuance Date	18 September 2023	Expiration Date	17 September 2024

Assessment Details

Company Type	Briquette mill and exporter
Scope of Assessment	Sabah TLAS P5-6: KON(NSO)019/11(KK), FDS(SO)(S)013/2019(MT), FDS(SO)(E)124/2019(MT)
Product Group	Briquette charcoal
Source of Material	Sabah, Malaysia.
Species	Waste wood/Sawdust
Lead Assessor	Brandon James
Assessor(s)	Anne Gimbir, Aleeza Ho
FDS Staff	Erati I (PPD Sook)

Terms of Assessment

The scope of the evaluation is to verify compliance of CS Biomass Sdn. Bhd. to the criteria within the Sabah Timber Legality Assurance System (TLAS) Principle 5 - Mill Operations and Principle 6 - Trade and Customs standards. Compliance is defined when the organization demonstrates that there is no non-compliance to any applicable criteria. Non-compliance to the Sabah Legality Standard occurs when the organization does not comply with 1 or more criteria. Non-compliance must be formally addressed prior to certification or within 2 months following a surveillance assessment.

Limitations of Assessment

The information presented in this report is based on documentation and other information presented by the client and observations made during the field verification under the assessment. Auditor's reporting of information presented by the client are taken as accurate, unless evaluated differently through the observations made during the assessment. All information presented in the report is accurate and complete to the best of knowledge of GFS.

Background Information:

CS Biomass Sdn. Bhd. (CS Biomass) is registered in Kota Kinabalu, Sabah on 05/04/2011, with registration # 939227-P. CS Biomass produces briquette charcoal and exports charcoals to Japan, Greece and Saudi Arabia.

Timbers Chapter Sdn. Bhd. (Landlord) leased the land parcel to CS Biomass (Tenant) with a tenancy agreement valid until 05/07/2026 for the sawdust briquette charcoal production.

The previous assessment was conducted in October 2022 that resulted in 1 gap(s) and 0 observation(s) (Report #: GFSSBH 004-413a).

Associated Organizations & Subcontractors:

Timbers Chapter does not engage sub-contractors to produce or manufacture products.

Description of the Supply Chain:

From August 2022 to August 2023, CS Biomass purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Irama Ramai Sdn. Bhd.	JP(N)KG001/12(X04)	Sawdust	Keningau	GFS 110 WTP (18/09/2023)	Low
Cargo Timber Sdn. Bhd.	JP(N)KG031/00(X04)R	Sawdust	Keningau	GFS 090 WTP (07/11/2022)	Low
Syarikat Jayaramai Sdn. Bhd. (ML Sabah Trading)	JP(N)SO055/00(B01) R	Sawdust	Sook	GFS 056 WTP (23/01/2023)	Low
Sentorama Sdn. Bhd.	JP(N)SO007/06(B01)	Sawdust	Sook	GFS 107 WTP (15/05/2023)	Low
SG Trading Sdn. Bhd.	JP(N)KG003/11(M01)	Sawdust	Keningau	GFS 086 WTP (22/05/2023)	Low
DM Cergas Sdn. Bhd. (Bumi Timber Sdn. Bhd.)	JP(N)SO001/16(X17)	Sawdust	Sook	GFS 244 WTP (16/04/2024)	Low
Waygood Enterprise (Taman Sawmill Enterprise)	JP(N)NN002/19(B01)	Sawdust	Nabawan	Non-Compliance	High

Note: *GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) material & products.

Summary Results:

(Major gap = 0, Minor gap = 0, Observation = 2)

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
002/2022	Raised to minor	5.3.2 5.3.7 5.3.8	Closed	October 2021: No safety training was conducted for 2020 and 2021. October 2022: The company has not conducted safety training and records of fire training were incomplete. September 2023: CS Biomass conducted safety and fire training and maintained the record.

*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2023	5.1.2	September 2023: Inconsistent in recording the online submission for Appendix 20.
002-2023	5.2.5 5.2.7	September 2023: Lack of segregation from Waygood Enterprise versus other Sabah TLAS compliant suppliers.

Highlights of Close-Out Visit (if applicable)	Date: -
Not applicable	

Recommendations
<p>CS Biomass Sdn. Bhd. has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Statement of Compliance and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.</p> <p>Gap(s)/Observation(s) identified in this assessment should be addressed before the next surveillance visit. Action required to close the gap(s)/observation(s) include:</p> <p>Observation 001-2023 – Checklist 5.1.2, 5.2.6: CS Biomass shall be consistent in recording Appendix 20.</p> <p>Observation 002-2023 – Checklist 5.2.5 & 5.2.7: CS Biomass shall segregate non-Sabah TLAS materials from Sabah TLAS materials from receiving to finished goods.</p> <p>The next surveillance visit is scheduled for September 2024.</p>

End of Summary Report